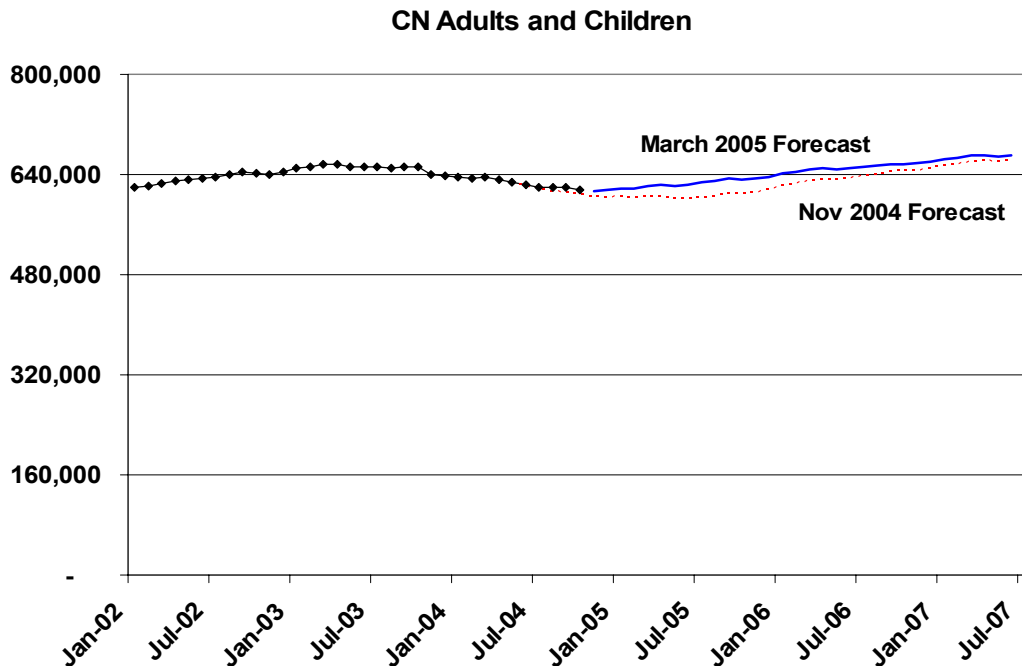


Medical Assistance Administration

Caseload Forecast Council
March 17, 2005

The *CN Adults and Children* category consists of CN Family Medical (TANF), CN Pregnant Women, and CN Children caseloads.



Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-04 Forecast	Mar-05 Forecast	Nov to Mar Difference	% Difference
2005	606,500	618,960	12,460	2.1%
2006	619,230	639,302	20,072	3.2%
2007	651,884	662,479	10,595	1.6%

- The March 2005 forecast for CN Adults and Children is 1.6 percent higher than the November 2004 forecast for FY2007.
- The CN Children and CN Family Medical forecasts were raised, and the CN Pregnant Women forecast was lowered.

Tracking the November 2004 Forecast

	Nov 2004			Percent
	Forecast	Actual	Variance	Variance
May-04	626,065	627,036	971	0.2%
Jun-04	620,914	624,563	3,649	0.6%
Jul-04	617,412	619,761	2,349	0.4%
Aug-04	613,795	619,644	5,849	1.0%
Sep-04	611,052	618,768	7,716	1.3%
Oct-04	607,723	615,140	7,417	1.2%

Actuals are tracking, on average, 0.8 percent above forecast for the past six months. This variance is primarily due to the CN Children forecast.

CN Adults and Children Fiscal Year Caseload Change

Fiscal Year	Caseload Change	Percent Change	
FY02-03	30,855	5.0%	Actuals
FY03-04	-7,662	-1.2%	
FY04-05	-20,401	-3.2%	Forecast
FY05-06	20,342	3.3%	
FY06-07	23,177	3.6%	

The caseload decline between FY2004 and FY2005 is due to policy changes impacting the CN Children's caseload. The CN Children's caseload has declined by close to 54,000 or 15% since April 2003, when more stringent eligibility verification policies were implemented. These policy changes include:

- Hard-copy signature requirement on applications
- Income verification at application and review
- Elimination of 12 month continuous eligibility
- Eligibility reviews every six months instead of twelve months

The CN Children forecast model is based on specific entry and exit rate assumptions, so variations from forecast can be explained in terms of changes in inflows and outflows. Most of this decline is due to a higher exit rate, which doubled after the policy changes were implemented. Some of the decline is also due to fewer entries, and more transfers to other medical programs, primarily SCHIP and CN Family Medical.

The CN Children forecast does not contain the Governor's decision to eliminate premiums and return to 12 months of continuous eligibility because they have not yet been funded by the Legislature. So the forecast contains a step adjustment to reflect the impact of premiums that were scheduled to begin in July 2005.